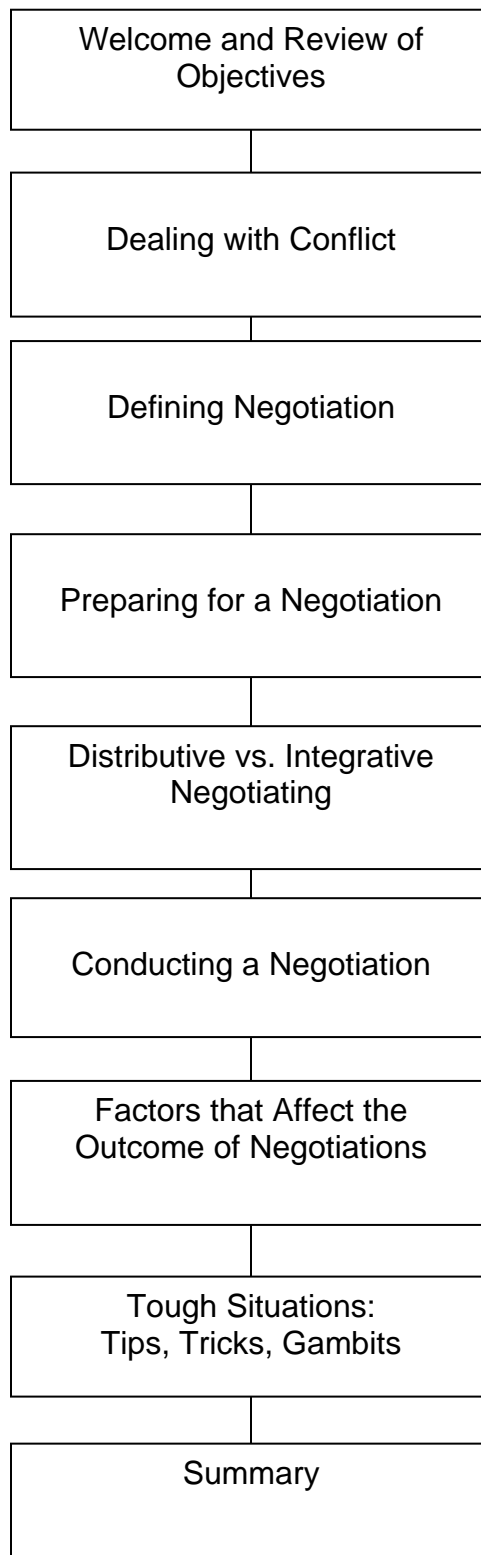


**ELC Module 200 –
Negotiations: The Essence of Management and Leadership
Course Map**



How to Interact with the Instructor

We encourage you to ask questions and share your comments with the instructors throughout this TELNPS course.

If you were physically in the classroom with the instructor, you would raise your hand to let him know you had a question or comment. Then you would wait for the instructor to recognize you and ask for your question. We are all familiar with that “protocol” for asking questions or making comments.

With TELNPS courses there is also a “protocol” to follow to ensure you can easily ask questions and others can participate as well. It may seem a little strange at first asking a question of a TV monitor. Remember, it is the instructor you are interacting with and not the monitor. As you ask more questions and participate in more TELNPS courses, you will soon be focusing only on the content of your question and not the equipment you are using to ask it.

As part of the TEL station equipment at your location, there are several push to talk microphones. Depending on the number of students at your location, you may have one directly in front of you or you may be sharing one with other students at your table.

When you have a question, press the push to talk button and say,

“Excuse me [instructor’s first name], this is [your first name] at [your location]. I have a question (or I have a comment).”

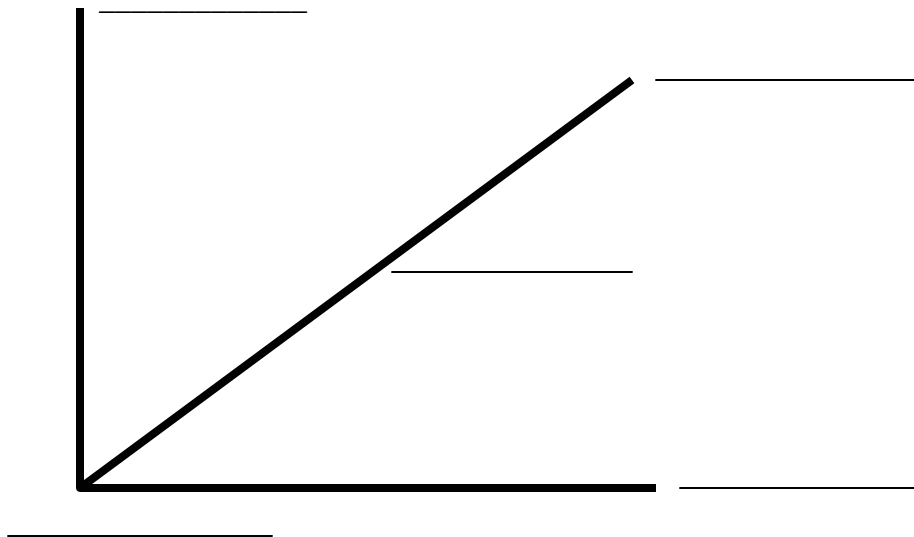
Then release the push to talk button. This is important. Until you release the button, you will not be able to hear the instructor. The best distance from the microphone is 10-12 inches. If you get closer than this, the instructor will have difficulty in hearing you clearly.

The instructor will acknowledge you and then ask for your question or comment. Stating your name and location not only helps the instructor, but also helps other students who are participating at different locations to get to know their classmates.

Course Objectives

At the conclusion of this course, you should be able to—

1. Assess your method of dealing with conflict, to include identifying weaknesses and potential for increased effectiveness.
2. Define negotiations.
3. List the steps and information you need to prepare for a negotiation.
4. Describe the difference between distributive and integrative negotiations.
5. Identify opportunities for integrative potential in a negotiation.
6. Explain how identifying underlying interests and using objective criteria can lead to more successful outcomes in a negotiation.
7. Demonstrate techniques that can help influence the outcome of a negotiation.
8. Identify factors that can influence the outcome of negotiations.
9. Understand the importance of fairness in a negotiation.
10. Recognize a difficult negotiation and list questions that can help it move forward.
11. Using a worksheet, prepare for a future negotiation. (Work-site assignment)



Dealing with Conflict***Thomas-Kilmann Conflict Mode***

COOPERATIVE	COMPETITIVE
<ul style="list-style-type: none">▪ Courteous, personable▪ Realistic opening position▪ Does not use threats▪ Does not lie, fair, trustworthy▪ Willing to share information easily	<ul style="list-style-type: none">▪ Dominating, forceful▪ Unrealistic opening position▪ Uses threats▪ Willing to stretch the facts▪ Reveals information gradually

Assess which of the 5 conflict resolution modes you use -

- Competing (Forcing) - the goal is to win; take charge; be in control
- Avoiding (Withdrawal) - the goal is to deflect conflict or withdraw from it
- Compromising (Sharing) - the goal is to find a middle ground
- Collaborating (Problem Solving) - the goal is to find a win-win situation ; wants to satisfy the concerns of both sides; likes working together
- Cooperating (Accommodating/Smoothing) - the goal is to yield; supportive and helpful/worry about relationships

Inventory: <http://www.bluffton.edu/courses/BCOMP/301sup/thomas.htm>

Source: Bluffton College, Bluffton, Ohio. See Appendix A

**Which of the 5 conflict resolution modes most describes you when handling conflict?**

1. List 2 advantages and 2 disadvantages to that mode in a negotiation.
2. When someone wants to negotiate with you, list the 2 biggest "DO's" and "DON'Ts" if they want to reach agreement with you.
3. Be prepared to share your responses.

Defining Negotiations



Definition

Take a moment to write down your definition of negotiations. We'll ask a couple of you to share your definitions with the class.

A negotiation is

Is this an example of a negotiation? Write "Yes" or "No" in the blank.

_____ A group of people are trying to decide where to go to lunch.

_____ An employee comes to you saying his job is graded a GS-9, and a friend who does the same job is a GS-12. He wants his position upgraded.

Negotiating seems simple. Consider the following:

A bat and ball together cost \$1.10

The bat costs \$1.00 more than the ball.

That means that the ball costs _____

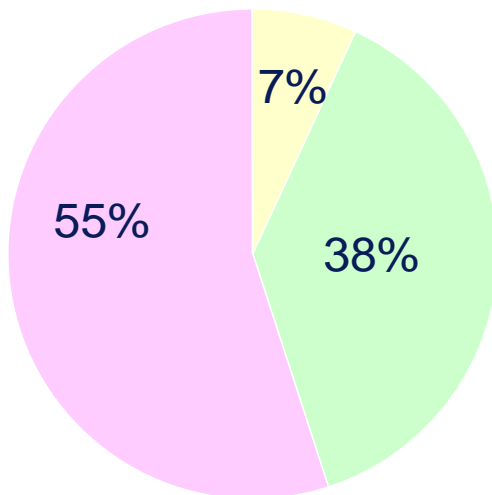
Preparing for a Negotiation

Overview - Major Steps:

1. Determine the parties and logistics
2. Determine goals and interests (yours and theirs)
3. Determine your BATNA – Best Alternative to a Negotiated Agreement. Determine theirs.
4. Determine your reservation point or “bottom line.” Determine theirs.
5. Determine objective standards—and try to agree on them
6. Explore options; know your priorities. Determine the value of every issue and RANK them in order of importance.

Determine the parties and logistics:

- Who will be participating?
- How will you communicate? (email, phone, at the table)



Words used _____

Facial expression _____

Voice/tone _____

- Is there going to be a long-term relationship or is it a “one-shot” deal?
- What are the relative strengths of the parties?
- How much trust exists?
- Is there a deadline?

Distributive vs. Integrative Negotiating**Determine Goals and Interests:**

- Consider yours and theirs—what do you want and why?
- What are their underlying interests, not positions.
 - A position is a party's _____ on an issue.
 - Underlying interests are those interests or concerns _____ the negotiation's _____
- Two forms of negotiations
 - Distributive: Parties compete for a fixed amount of value
 - Integrative: Parties make trades in order to arrive at a mutually-beneficial solution
- The goal of integrative negotiation is to satisfy as much interest on both sides as possible, without harming either side.

In any negotiation, search for integrative potential! You may think there isn't any, but there almost always is.



The Office Window

Two colleagues share a desk in front of the window. One wants the window open for fresh air. The other doesn't like the draft.

What are some possible solutions? Give at least one example of a distributive solution. Give at least one example of an integrative solution.

Be ready to share your examples with the class.

Distributive:

Integrative:

**“Experience Your America”**

Read the scenario below. Think about underlying interests and an integrative approach. When the CEO of the aviation company calls the Director of the Park Service, what are some possible solutions they can discuss?

Be ready to share your ideas with the class.

"Single Engine Air" is a tiny aviation company that provides customers with airplane rides over the Grand Canyon. The company held trademark rights to the slogan "Experience Your America," the slogan they used in all their company literature and commercials. When the company found out the National Park Service started using its slogan, the CEO called up the Director of the Park Service and suggested they negotiate a solution to the problem. The Park Service had just spent a very substantial amount of money using the slogan as a nationwide publicity campaign, so they wanted to get the matter resolved as well. What are the possible solutions these two individuals might agree upon?

Distributive vs. Integrative Negotiating

- Studies say that top negotiators ask _____ as many questions as average negotiators. Why?
 - Questions uncover needs
 - Questions provide information
 - Questions diffuse conflict
 - Questions persuade
 - Questions keep you in control
- These open-ended questions can work wonders at helping you get at underlying interests:
 - “Why do you want that?”
 - “Why is that important?”
 - “Could you say more about that?”
 - “I’m still not clear on one thing...”
 - “Could you explain that part again?”

Preparing for a Negotiation – Remaining Steps

Goals and Interests

- Once we've figured out underlying interests, we need to think about:
 - What are they likely to propose?
 - What arguments are they likely to make against you?
 - If you can anticipate their response to you, you can avoid pitfalls and collect data to counter possible objections

Determine your BATNA – Best Alternative to a Negotiated Agreement. Determine theirs.

Determine your reservation point or “bottom line.” Determine theirs.

- Both sides have a bottom line.
- Example: Salary negotiation. Bottom line for the employer is the max he/she can pay. Bottom line for the candidate is the minimum he or she will accept.

Determine objective standards—and try to agree on them

- Using objective criteria “shifts the burden” to the other party.
- Using objective criteria makes the other person PROVE to you that they are being fair.
- Fairness is important in a negotiation because both parties will VOLUNTARILY agree only if they both think the solution is fair.
- To find out what objective standard your opponent is using, get them to explain how or why they arrived at their offer or counter-offer:
 - “Could you explain the reasons for that?”
 - “How did you get to that number?”
 - “Why do you say that?”
 - “What brought you to that conclusion?”
 - “I’m still not sure how you arrived at that number” (“dumb but smart”)

Preparing for a Negotiation – Remaining Steps**Explore options; know your priorities.**

- Determine the value of every issue and RANK them in order of importance. Make trades.
 - Both sides attempt to trade low priorities in order to achieve top priorities
 - The more variables, the more possible trades
 - Get as many items on the table as possible
 - This strategy increases chances of “joint gain”



Hawaiian Sculpture Negotiation

Read the scenario below. Take on the role of the Park Superintendent and be ready to negotiate with the artist!!

HAWAII VOLCANOES NATIONAL PARK SUPERINTENDENT

You manage the Hawaii Volcanoes National Park. The Park has decided to commission an outdoor sculpture to be placed in front of the Kilauea Visitor Center to give visitors a sense of why Mauna Loa and Kilauea have long been revered by Native Hawaiians. Unfortunately, the artist you hired for the job has fallen ill and cannot even begin the project. You've only been able to locate one other artist in the area who specializes in Hawaiian sculpture and who seems to have a free schedule. You will be meeting with this artist shortly. It's absolutely crucial that you hire this artist. It is anticipated that with the sculpture's completion, and recent major promotion efforts, Park revenue will increase \$200,000 over the summer. You were going to pay the artist who fell sick \$40,000 (which is twice as much as the \$20,000 you paid a different artist last year for a very similar sculpture). You have concluded that because you are desperate to hire this artist, and because the project is so vital to the economic health of the Park, you can pay this new artist up to \$75,000 to get the job done. Go negotiate with the artist.

Conducting a Negotiation

Simple model:

- Here's the problem: I'm confused about something
 - Avoid "you"
- Here's the issue:
- What do you think we should do about this?
 - People unload

For a more complex situation:

- Physical Position - sit _____
- Who makes the first offer?
 - Consider starting with silence!
 - If they make an unreasonable offer, FLINCH!
- Make trades
- The concession pattern—never give something for nothing
 - Aim high (but be reasonable based on objective standards)
 - Concede slowly, with small concessions at a controlled rate.
 - Make it clear when you are making a concession (get credit for it)
 - Make sure the other side reciprocates
 - Making a large concession tells the other side you are far from your "bottom line"
 - Concessions must get smaller and smaller to signal they are closing in on your "bottom line"
- Talk less and listen more
 - "Let's see if I have this straight – this is where we are"
 - Let them clarify
 - Ask Questions
 - Take breaks
- Finalize Agreement
 - Verify what has been agreed to
 - Summarize every point on paper
 - Figure out how you will settle future differences (agree to hire a mediator?)
 - Write the contract _____ (if it goes to court, the judge rules AGAINST drafter)

Factors Affecting the Outcome of a Negotiation

- Listening
 - Framing and re-framing
 - Body language
 - Trust
 - Fairness
 - Patience
 - Perceptions and Assumptions
 - Deadlines
 - Emotions
 - Relationships
 - Context
 - Persuasion
-
- Listening
 - Listen actively
 - Don't get distracted by emotions.
 - Demonstrate that you understand by reflecting content and feelings of the other party
 - To keep the negotiation on track, regularly summarize areas of agreement

**Framing and Reframing**

Situation: Roosevelt's campaign printed 3 million copies of a picture of him that they liked, with a speech on the back. Then they realized the picture was copyrighted. Current law requires they pay 1.00 per copy or \$3 million dollars.

You must call the photographer. Take a minute to jot down what you would say.

Factors Affecting the Outcome of a Negotiation

- Framing and re-framing
 - Taking the same facts and looking at them from a
- _____

**Body language and perception of trust**

Body language perceived to be linked to trust (gestures and expressions)

You are less likely to trust someone if they:

You are more likely to trust someone if they:

Factors Affecting the Outcome of a Negotiation

- You are less likely to trust someone if they:
 - Fidget
 - Smile excessively or sheepishly
 - Have overly serious tone
 - Lack emotion
 - They avert eyes or have no eye contact
 - They are too quiet
- You are more likely to trust someone if they
 - Speak directly
 - Have open gestures and behavior
 - Smile
 - Point and express hand gestures
- Fairness
 - Crucial for long-term negotiation relationships
- Patience
 - It is said that 80% of concessions are made during the last 20% of the negotiation. Patience translates into power.
- Perceptions and Assumptions
 - People tend to make quick assumptions about others based on sometimes superficial things (dress, facial expressions, mannerisms)
- Deadlines
 - Don't get rattled by deadlines—they are usually negotiable.
 - Don't reveal your own time constraints.
- Emotions
 - If either party is emotional, no rational persuasion is going to work.
 - Take a walk/go to the restroom/have to "make a phone call"
 - Take a quick break ("go to the balcony")
 - Say, "Let's go over what we have so far, just so we know we're on the same page here"

Factors Affecting the Outcome of a Negotiation**“I had it first!”**

You and another shopper come across THE ONLY small pink bike with a flower on the basket. Your daughter MUST have it. You both put your hands on it at the same time.

Part I: Write down what you would say so that you can leave with the bike, and be prepared to share your remarks.

Part II: Now given new information from the instructor, how would you handle this situation?

- Relationships
 - Seek to build long-term relationships
 - Three R's: Reliable, Rational and Receptive – regardless of how the other side behaves
 - Focus on the problem, not the people and personalities
- Context
 - Context is important (because your power varies based on it)
- 7 Principles of Persuasion
 1. Contrast
 2. Reciprocity
 3. Commitment and Consistency
 4. Authority
 5. Scarcity
 6. Conformity
 7. Liking

Source: *Influence: The Psychology of Persuasion*, by Robert Cialdini

Tough Situations: Tips, Tricks, Gambits



Questions for Tough Situations

This activity will help you deal with common situations that come up during a negotiation.

Take a few minutes to review each of the situations on the next page and the corresponding questions.

Identify one possible question you like and why. Identify one that makes you uncomfortable or which you don't like and why.

Questions for Tough Situations

The Situation

"Take it or leave it"
ultimatum

Pressure to respond to an
unreasonable deadline

Highball or lowball tactics

An impasse

Indecision between
accepting and rejecting a
proposal

A question about whether
the offer you just made is
the same as that offered to
others?

Possible Questions

"Do I have to decide now, or do I have some time to think about it?"

"Do I have to decide now, or do I have some time to think about it?"

"Are you feeling pressure to bring the negotiation to a close?"

"Why can't we negotiate about this deadline?"

"If you're under pressure to meet this deadline, what can I do to help remove some of that pressure?"

"What's magical about this afternoon? What about first thing in the morning?"

"What's your reasoning behind this position?"

"What would **you** think I see as a fair offer?"

"What standards do you think the final resolution should meet?"

"What else can either of us do to close the gap between our positions?"

"Specifically what concession do you need from me to bring this to a close right now?"

"If it were six weeks from now and we were looking back at this negotiations, what might we wish we had brought to the table?"

"What's your best alternative to accepting my offer right now?"

"If you reject this offer, what will take its place that's better than what you know you'll receive from me?"

"How can you be sure that you will get a better deal elsewhere?"

"What do you see as a fair offer, and given that, what do you think of my current offer to you?"

"Do you believe that I think it's in my best interest to be unfair to you?"

"Do you believe that people can be treated differently, but still all be treated fairly?"

The Situation

Attempts to pressure,
control, or manipulate

Possible Questions

“Shouldn’t we both walk away from this negotiation feeling satisfied?”

“How would you feel if our roles were reversed, and you were feeling the pressure I’m feeling right now?”

“Are you experiencing outside pressures to conclude these negotiations?”

Source: Adapted from the book *What to Ask When You Don’t Know What to Say*, by Sam Deep and Lyle Sussman 1993.

Tips, Tricks and Gambits**Blocking Techniques**

- Ignore
- Answer only in part
- Over-answer or under-answer
- Answer a different question
- Answer a question with a question
- Rule the question “out of bounds”
- “Let’s get to that later”

When questioning:

- Use TRIAL BALLOONS
 - “What if we were to _____?” (make a brief, tentative proposal).
- Do NOT make an instant counter proposal when they respond to trial balloon
 - It makes it appear that you didn’t consider their statement
- Never say “never” and never say “no”
 - Both lead to impasse. Hostage negotiators!
- Avoid “why” questions, focus on what.
 - What would happen if...?
 - What would it take to..?
 - What can you tell me about....?

Courteous does not equal weak. “If I’m too nice, I’m going to be walked on”

Tricks, tactics, and gambits (with examples)

- Flinch
- Higher authority
- Nibble
- Columbo “let me see if I understand” (also called “Dumb is smart”)
- Puppy dog
- Waiting in the wings
- Good cop/bad cop

Summary

Best negotiators are _____, silent, and _____.

Negotiating is about making a _____

It's not about _____

“Cheat Sheet”

- Try not to make the first offer
- Try to find objective criteria
- Listen more; talk less
- Be patient
- Ask questions, especially open-ended questions

Assignment – See Appendix B

Recommended Reading – See Appendix C

Appendix A: - Thomas-Killman Conflict Modes

The following information may help you judge how appropriately you use the five modes of conflict resolution

1. Competing is best used:

- when quick decisive action is vital; e.g., emergencies
- with important issues where unpopular courses of action need implementing such as cost cutting, or enforcing unpopular rules and discipline
- with issues vital to company welfare when you know you are right
- to protect yourself against people who take advantage of you.

2. Collaborating is best used:

- to find an integrative solution when both sets of concerns are too important to be compromised.
- when your objective is to learn; e.g., testing your own assumptions, understanding the views of others.
- to merge insights from people with different perspectives on a problem.
- to gain commitment by incorporating other's concerns into a consensual decision.
- to work through hard feelings which have been interfering with an interpersonal relationship.

3. Compromising is best used:

- when goals are moderately important, but not worth the effort or potential disruption of more assertive modes.
- when two opponents with equal power are strongly committed to mutually exclusive goals; i.e., as in labor management bargaining.
- to achieve temporary settlements to complex issues.
- to arrive at expedient solutions under time pressure.
- as a backup mode when collaboration or competition fails to be successful.

4. Avoiding is best used:

- when an issue is trivial, of only passing importance, or when other more important issues are pressing.
- when you perceive no chance of satisfying your concerns; e.g., when you have low power or you are frustrated by something that would be very difficult to change (national policies, someone's personality).
- when the potential damage of confronting a conflict outweighs the benefits of its resolution.
- to let people cool down; i.e., to reduce tensions to a productive level and regain perspective and composure.
- when gathering more information outweighs the advantages of an immediate decision.
- when others can resolve the conflict more effectively.
- when the issue seems tangential or symptomatic of another more basic issue.

5. Cooperating (accommodating) is best used:

- when others can resolve the conflict more effectively.
- when the issue is much more important to the other person than to yourself - to satisfy the needs of others, and to show you are reasonable. to build up social credits for later issues which are important to you.
- when continued competition would only damage your cause, i.e., when you are outmatched and losing.
- when preserving harmony and avoiding disruption are especially important.
- to aid in the managerial development of subordinates by allowing them to experiment and learn from their own mistakes.

Source: Bluffton College, Bluffton, Ohio

<http://www.bluffton.edu/courses/BCOMP/301sup/thomas.htm>

Appendix B - Work Site Assignment

Using a work-related situation complete either Part I or Part II below. Part I is forward-looking. It will help you prepare for an upcoming negotiation. Part II is backward-looking. If you do not have a negotiation in the near future, use Part II to analyze a negotiation that did not go as well as you had hoped.

Part I – Upcoming Negotiation

Who are the parties involved?

What is the subject of negotiation?

What do you think is the best way for communications to take place between or among the parties involved? (email, phone, face-to-face?)

What are the underlying issues? Ask:

- “Why do you want that?”
- “Why is that important?”

Please list the various possible solutions to the issue at hand, and explain which solution is the best solution and why it is the best solution.

Identify any objective criteria that will help further your cause.

What is your bottom line? What do you think is likely to be the other party's bottom line?

Is the best solution the one that is most likely to prevail, or be implemented, at the end of the negotiation?

List some of the potential barriers to reaching an agreement, and how you might achieve success despite each of those barriers.

Part II – Analyze a Past Negotiation

Who were the parties involved?

What was the situation (problem)?

How did you communicate? (email, phone, face-to-face?) Do you think it was the best way?

Did you identify underlying issues? If so, what were they?

What solutions did you propose? Was there give and take?

Did you use objective criteria ? Which one(s)?

What was your bottom line when you entered the negotiation. Did it change during the course of the negotiation. If so, why?

What problems did you encounter?

What would you change about the way you handled this negotiation, if you had the opportunity to do it again?

Appendix C – Recommended Reading

Getting to Yes, by Roger Fisher, William Ury, and Bruce Patton

Getting Past No, by William Ury

Difficult Conversations: How to Discuss What Matters Most, by Douglas Stone, Bruce Patton, and Sheila Heen

Emotional Intelligence, by Daniel Goleman

Influence: The Psychology of Persuasion, by Robert Cialdini